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SHELL OIL COMPANY

Annual Report 1957

SHELL OIL COMPANY

50 WEST 50TH STREET • NEW YORK 20, N. Y.

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* *On loan to Shell Oil Company of Canada, Limited*

Annual Report 1957

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Highlights of the Year

FINANCIAL	1957	1956
Revenue	$1,773,359,000	$1,644,417,000
Net Income	$135,085,000	$135,848,000
Net Income per Share	$4.46	$4.49
Cash Dividends per Share	$2.00	$2.00
Cash Income (net income plus write-offs)	$362,888,000	$344,020,000
Net Working Capital at End of Year	$293,765,000	$287,253,000
Cash and Short Term Securities at End of Year:		
Available for general purposes	$118,048,000	$120,691,000
Set aside for federal income taxes	$22,900,000	$52,800,000
Long Term Debt at End of Year	$166,087,000	$197,408,000
Capital Expenditures	$265,635,000	$234,646,000

OPERATING	1957	1956
Number of Wells Drilled	1,274	1,132
Gross Crude Oil Produced—Barrels	133,879,000	127,804,000
Net Crude Oil Produced—Barrels	115,910,000	111,317,000
Crude Oil Intake—Barrels	184,555,000	182,184,000
Refined Products Sold—Barrels	201,470,000	200,524,000
Chemical Products Sold—Short Tons	1,043,000	1,001,000
Number of Employees at End of Year	40,465	39,903
Salaries and Wages Paid	$273,800,000	$253,966,000

SHELL OIL COMPANY
50 WEST 50TH STREET
NEW YORK 20, N. Y.

March 19, 1958

To the Shareholders:

WE SUBMIT herewith a review of operations of Shell Oil Company and its subsidiaries for the year 1957, along with the related financial statements.

As a general comment, we would say that the year was characterized by a good deal of fluctuation, coupled with increasingly severe competition. It started off with an extraordinary high level of export demand, created by the Suez affair, which resulted in extensive changes in the crude oil production and transportation situations and affected price conditions generally. There was the inevitable reaction when this abnormal demand disappeared, and later as the expected increase in purely domestic demand did not materialize—in fact, towards the end of the year there was even a tendency for demand to recede—there followed the aftermaths of excessive inventories and pressure on prices. However, taken as a whole, the year was among the best that the Industry and the Company have experienced.

The consolidated net income after taxes was $135,085,000, which compares with $135,848,000 for 1956, the highest in the Company's history. The 50 cents per share quarterly dividend was maintained, with payments totaling $60,573,000. In the matter of dividends, we have been influenced and guided by the continuing high rate of capital expenditures and the wisdom of meeting this call in part with retained earnings.

Current assets increased $32,630,000 during the year to $534,656,000 at December 31, 1957, mainly on account of higher receivables and inventories. Net working capital at December 31, 1957, as represented by the excess of current assets over current liabilities, amounted to $293,765,000, an increase of $6,512,000 for the year. Cash and short term securities, excluding funds set aside to cover federal income tax, amounted to $118,048,000 at December 31, 1957, being $2,643,000 less than at the beginning of the year.

We have continued to devote the major part of our capital expenditure to the finding and development of underground reserves of crude oil. It is a pleasure to report that the efforts in this direction have continued to meet with good success, so that the Company's crude oil reserves at the end of the year were importantly larger than at the beginning, after taking into account the substantial withdrawals that occurred during the year.

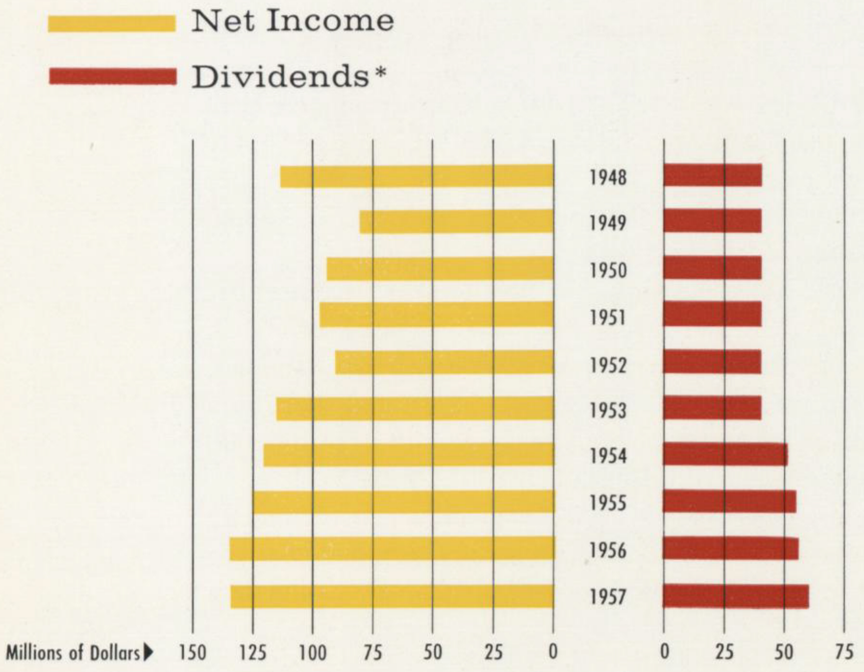
There was no major refinery expansion, but the aggregate rated crude oil capacity of our six refineries was increased by 5,000 barrels to 584,000 barrels per day. Refining operations were at near capacity during the first half of 1957, but intakes were reduced during the second half because of the developing surplus of refined products.

Intense competition characterized all phases of marketing activities during the year. This condition became more acute as the rate of increase in demand fell off. However, our total sales volume for the year exceeded the previous year's level, with a consequent increase in revenue. In furtherance of the Company's long-standing policy, no effort was spared in providing the consumer with the highest quality products.

Shell Chemical Corporation's sales revenue was somewhat under the previous year, a reflection of the increasing competition that developed in the fields of agricultural and industrial chemicals. Efforts have been continued to protect our position through diversification and the addition of new product lines generated from the extensive research directed to the chemical field.

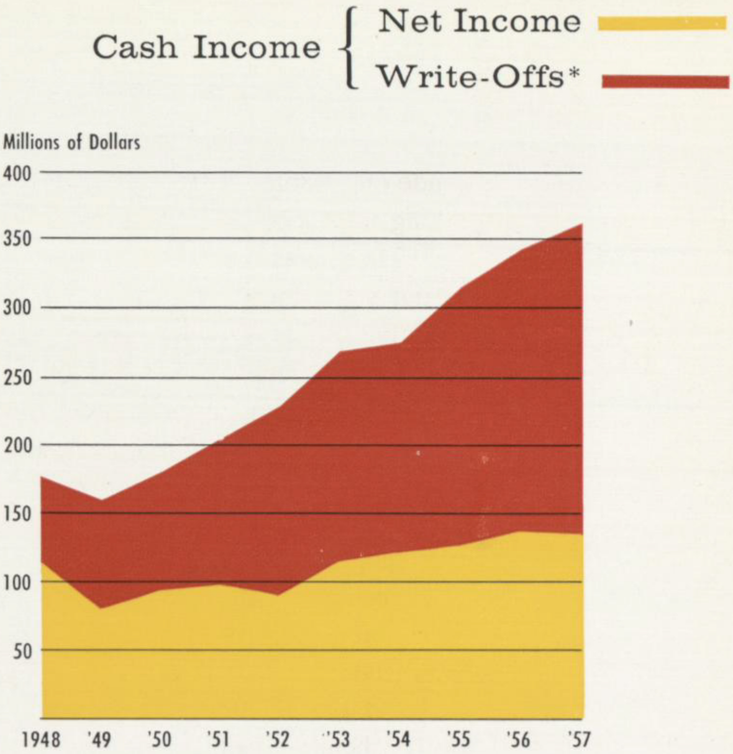
In this age of rapidly changing conditions, the value of research is more than ever apparent. Our organization is keenly conscious of this and very much alive to the need for development of new products, improvement in processes, and, most particularly, a constant looking ahead. The record of our research accomplishments is evidence of success in providing this necessary support to the over-all effort.

In view of the steady growth in our exploration and production activities in Canada, which are commented on in the Review of Operations that follows, it was concluded that our Canadian interests could best be served by consolidating them in Shell Oil Company of Canada, Limited, in exchange for additional shares of its common stock. Similar action was taken by Canadian Shell Limited in respect to its equivalent Canadian assets. These transactions, which were effective December 31, 1957, did not change the 50% interest of Shell Oil Company in Shell Oil Company of Canada, Limited.



*Does not include 2%, 10%, stock dividends distributed in 1953, 1956 respectively

The Shell Companies Foundation continued to give expression to a long-standing policy of contributing liberal sums to appropriate philanthropic and educational enterprises. One of its main efforts has been to insure an equitable distribution of moneys available for community funds. In 1957, $350,000 was distributed to Community Chests, Red Cross Chapters and United Funds across the



*Depreciation, depletion and amortization

country. In furtherance of a wide interest in education, the Foundation donated in this area a total of $450,000 during the year. Particular attention was given to the aid of privately-supported colleges and universities and to the need for stronger science and mathematics teaching at the high school level.

Once again it is with pleasure that we record our appreciation for the good work and the loyal cooperation received from all members of the organization. This cooperative effort is essential to the Company's well-being, and we look forward with confidence to its continuance.

In conclusion, it is perhaps fitting to comment briefly on the outlook. It is fair, we believe, to say that the Industry has reached another plateau. Its capacity to provide products has once more outrun the Nation's demand for them. This is nothing new and, given normal conditions of national economic development, we look to continued growth in demand. This will probably be somewhat slower in the immediate future than in the last few years, but momentum should pick up again as the population continues to increase and inadequacies in the highway system are remedied.

J. H. LOUDON
Chairman of the
Board of Directors

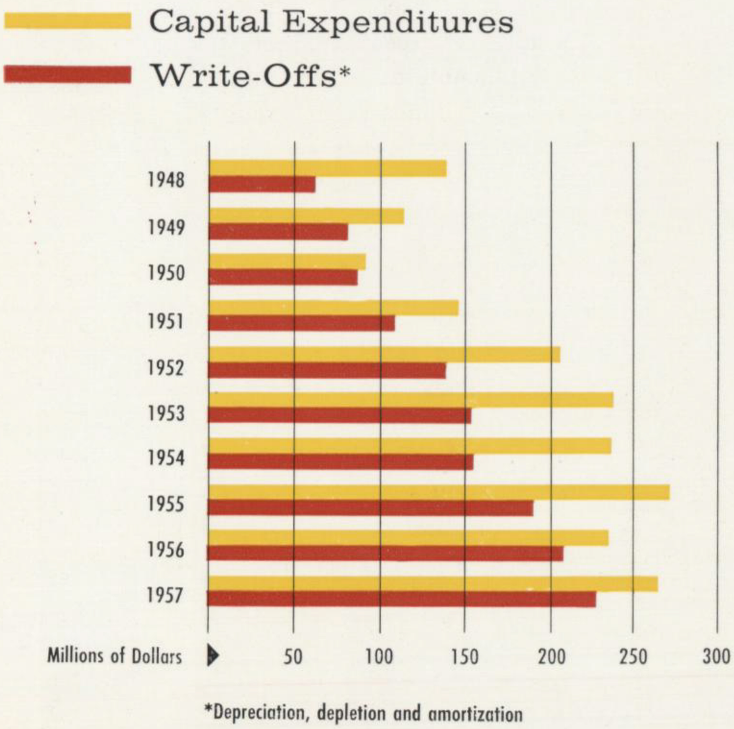
H. S. M. BURNS
President

Review of 1957 Operations

FINANCIAL

Net income for 1957 amounted to $135,085,000 compared to $135,848,000 for 1956, or $4.46 and $4.49 a share, respectively. The 50-cent quarterly cash dividend rate was maintained, with dividend payments totaling $60,573,000. The increase of $4,130,000 over 1956 is because of the greater number of shares outstanding resulting from the 10% stock dividend distributed in October 1956.

Cash income, that is, net income plus write-offs, of $362,888,000 was 5% over 1956. Provision for depreciation, depletion and amortization increased by $19,631,000 to $227,803,000, reflecting our accelerated drilling program and the expansion and modernization of facilities carried out in recent years. Cash generated from operations, after payment of dividends, was used to finance the capital expenditures and to increase working capital.



*Depreciation, depletion and amortization

Capital expenditures totaling $265,635,000 were higher than 1956 by $30,989,000. They included $181,835,000 for acquisition of leases and exploratory and development drilling for new underground reserves of crude oil and gas. They did not include $69,531,000 charged against current income for exploratory work essential to the maintenance and enhancement of our position in this particularly important phase of operations. Percentage allocation of capital expenditures was as follows:

	1957	1956
Drilling and production	69%	67%
Oil refineries	14	10
Chemical plants	6	12
Pipe lines and other transportation facilities	1	2
Marketing and miscellaneous facilities	10	9
	100%	100%

Net working capital at December 31, 1957, amounted to $293,765,000, an increase of $6,512,000 over December 31, 1956. Cash and

CASH FLOW

		1957	1956
		Thousands of Dollars	
Source of Funds	Net income	$135,085	$135,848
	Depreciation, depletion and amortization charged against income	227,803	208,172
	Other items (net)	1,153	7,116
		$364,041	$351,136
Use of Funds	Capital expenditures	$265,635	$234,646
	Dividends paid	60,573	56,443
	Change in long term debt	31,321	4,049
	Working capital increase	6,512	55,998
		$364,041	$351,136

short term securities, excluding funds set aside to cover federal income taxes, totaled $118,048,000 at December 31, 1957, or $2,643,000 less than at the beginning of the year.

Sales and other operating revenue increased $129,167,000 to reach a new high of $1,764,602,000 for the year. A somewhat higher price level during the early portion of the year, together with a slightly increased sales volume of refined products, were responsible for this improvement. Costs and expenses continued to climb in 1957, due mainly to higher wages and increased prices for purchased materials and services.

EXPLORATION AND PRODUCTION

The Four Corners Area of New Mexico, Colorado, Utah and Arizona, discussed in the 1956 Report, received generally greater attention during 1957 resulting in new discoveries and important extensions of production. The Company is one of the leaders in this area, and our operations were similarly accelerated. Significant extensions were made in the Aneth, Bisti and North Desert Creek fields, while several others showed promise for future development. We completed 79 producing wells in this area during the year. With the imminent start of operations of the Four Corners Pipe Line, in which we own a 25% equity interest, a sizable increase in the crude oil production in this area is expected.

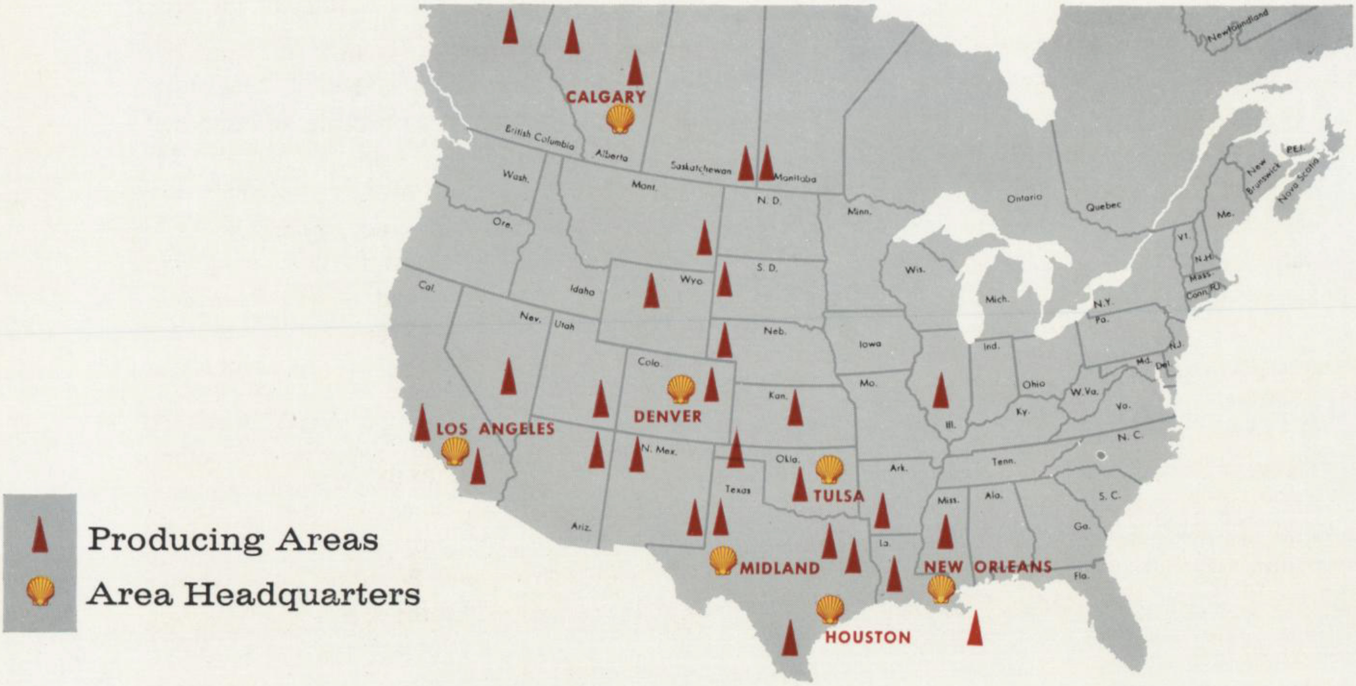
The legal dispute between the State of Louisiana and the United States regarding Louisiana's boundary in the Gulf of Mexico continued during 1957, and offshore drilling was therefore carried on at a reduced level. However, we found important new oil in Vermilion Block 164, and made a significant oil discovery on the southeast flank of the Eugene Island, Block 128 field on a Federal lease purchased in 1954. Major extensions continued to be found in the South Pass Block 24 and South Pass Block 27 fields. Our gross crude oil production from Louisiana offshore fields averaged 50,200 barrels a day in 1957 as compared to 37,500 barrels a day in 1956. For these two years, total industry production in the offshore fields of Louisiana averaged 145,000 and 111,000 barrels per day, respectively.

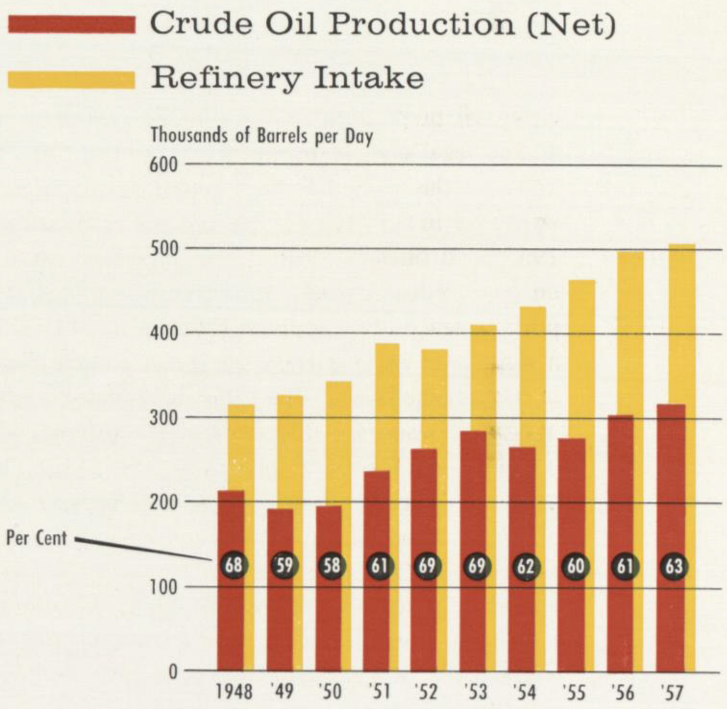
The Company became the largest crude oil producer in the State of Montana as a result of continued successful development drilling in the Cedar Creek Anticline fields. Our gross production in the United States portion of the Williston Basin at the end of the year was 21,800 barrels a day, nearly all of it being in Montana. This represents an increase of 4,000 barrels per day since January 1, 1957.

The Anadarko Basin, which encompasses most of northwestern Oklahoma, a portion of the Texas Panhandle, and southwestern Kansas, was the scene of active exploration for and development of gas fields. The Company has extensive lease holdings in this area and has had good success in the establishment of gas reserves. During the past year our drilling resulted in the completion of 39 gas condensate wells.

In Canada, active exploration was continued in conjunction with a subsidiary of Canadian Shell Limited. Southeast Saskatchewan was again the area of greatest development activity during 1957. Four southeastern Saskatchewan fields, namely Carnduff, Midale, Steelman and Weyburn, accounted for most of the development drilling, where 61 wells increased our gross production to 12,900 barrels a day. An important gas discovery on our extensive holdings was made at Waterton in the Alberta Foothills.

The Company drilled a total of 269 explora-





tory wells during the year, of which 48 discovered oil and gas. The more important of these discoveries include the Louisiana offshore discoveries already mentioned, the Lazy S Ranch in West Texas, Pleito Ranch in California, and outstepping developments at Diamond and Sweetwater oil fields in Mississippi. Encouraging discoveries were made on the Alamosa Ranch in the Panhandle of Texas; the Company has large acreage holdings in this general area and additional development will be required to determine the extent and size of these new fields. A large gas well was completed near Sayre, Oklahoma, but further development is required to assess this discovery.

The closing of the Suez Canal during the latter part of 1956 resulted in abnormally high demand for crude oil through the first few months of 1957. Total United States production reached an all-time peak of 7,818,000 barrels per day during the third week of March 1957. In the same month our average gross production also set a record high of 397,000 barrels per day. After the Suez Canal was reopened, crude oil production was again cut back by proration, and at the end of the year Louisiana and Texas well allowables were reduced to levels lower than those in effect prior to the Suez incident. Production in Canada, particularly in Alberta, was also severely curtailed by the authorities on account of decline in export demand.

The Company's gross production averaged 367,000 barrels per day during 1957 as compared to 349,000 barrels per day during 1956. In 1957 we drilled a total of 1,005 development wells which resulted in the completion of 913 oil and gas producers and 92 dry holes. In 1956 the number of oil and gas well completions was 789, and dry holes totaled 61.

Production of natural gas and liquid products extracted from natural gas continued at high levels, and contracts were negotiated covering initially approximately 50,000 MCF daily of new interstate gas sales. Most of these sales will require Federal Power Commission certification prior to construction of facilities by buyers, so it is not likely that actual deliveries will begin before the latter part of 1958.

Significant among these new gas sales contracts are several covering gas to be produced from a number of fields in the Anadarko Basin, discussed above, which represent in the aggregate initial volumes of approximately 10,000 MCF daily from specified lands approximating 27,000 acres. We have extensive acreage in this area, and with continued development of these holdings the Anadarko Basin is expected to become an important factor in our natural gas business. Another noteworthy contract is that covering gas which will be produced along with crude oil in the Four Corners Area; it is estimated that the volume will reach 20,000 MCF daily and as part of the consideration the buyer will process the gas for recovery of liquid products, a portion of which will be returned to us.

During 1957, deliveries of gas from certain of our Mississippi Delta fields averaged 60,000 MCF daily, which, with extensions to the field gathering systems, will be increased by some 30% during 1958. Although Federal Power Commission certification was received at the end of 1956 covering contracts for the sale of approximately 25,000

MCF daily of gas from six other gas fields in Texas and Louisiana, we have been unable to start deliveries pending final action on the buyer's certificate which is now the subject of court action by intervenors.

Major gas processing plant expansions included the addition of facilities to the Iowa Plant in Louisiana to allow recovery of propane as well as additional gasoline, and the completion of pipe line connections between the Saticoy Area and the Ventura Plant in California to enable recovery of volatile products from gas that previously was sold without processing at Saticoy. We have also arranged to participate in a new gasoline extraction plant to be built in the Laverne Field, Oklahoma.

The construction of a 30,000 MCF daily capacity gas gathering system and treating plant for the recovery of up to 300 tons daily of sulphur has been arranged for the sour gas condensate field at Okotoks in Alberta. These facilities are to be built under a farm-out contract which provides for our retention of a 15% cost free operating interest which will eventually increase to 25%.

MANUFACTURING

THE COMPANY'S six refineries operated at near capacity during the first half of 1957, but intakes were curtailed during the second half because of a developing general surplus of refined products. A total of 184,555,000 barrels of crude oil was run to distilling units in 1957, or 1% over the previous year. The aggregate rated crude oil capacity was increased by 5,000 barrels per day to 584,000 barrels per day.

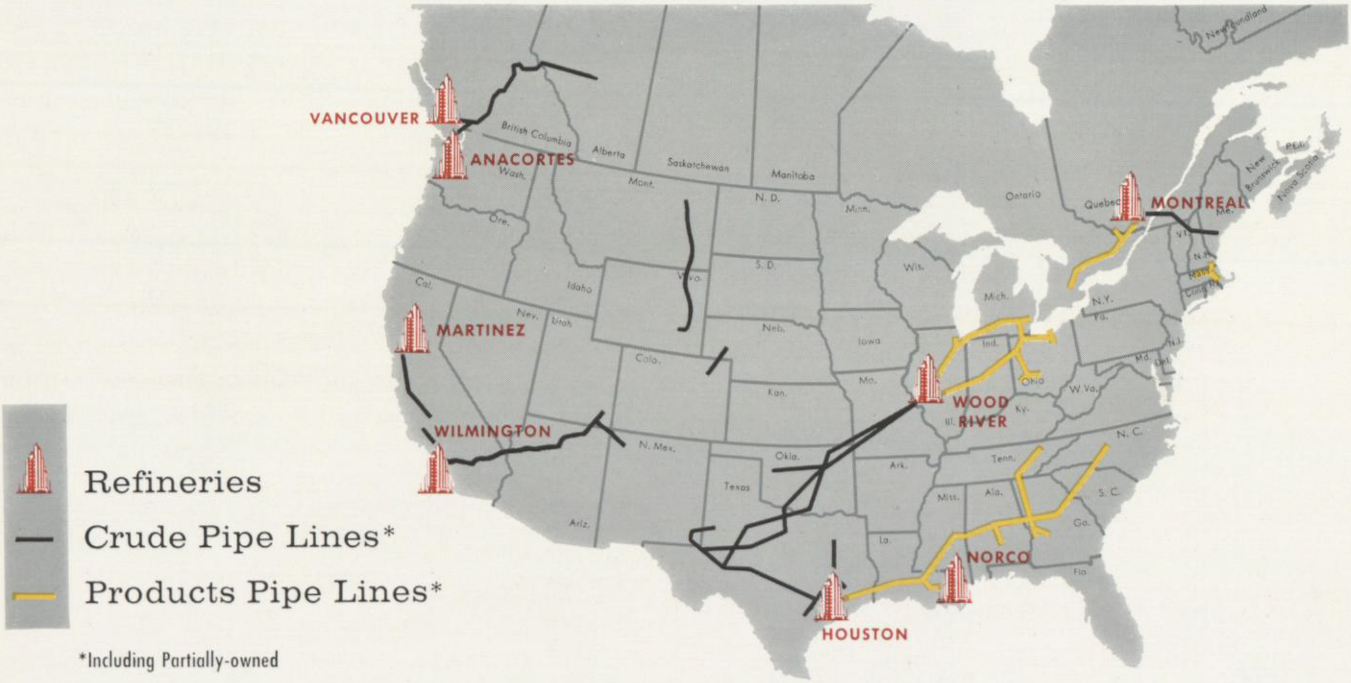
The continuing trend toward more powerful automotive engines and higher compression ratios requires gasolines of ever-increasing quality. To enable us to maintain our leading position in regard to gasoline quality, construction was started on a new catalytic reforming unit of 12,000 barrels per day capacity at the Wilmington Refinery. The unit includes a desulfurizing section as well as a reforming section. It is scheduled for completion shortly. Construction also was started on a similar 16,000 barrels per day catalytic reformer at the Norco Refinery. This unit will be completed in the second half of 1958.

A new plant for manufacture of alkylate is being added to the Anacortes Refinery. Alkylate is a major component of high octane aviation gasoline, and this addition will help to sustain our position as a leading supplier of aviation gasoline.

A modernization program was completed at the Houston Refinery research laboratory where a new building houses the administrative staff, electronic computation equipment, and advanced physical research equipment. The refinery administrative office was also enlarged during the year. Construction of a new process control laboratory was started at the Norco Refinery.

In the spring of 1957, an improved Shell X-100 premium automotive lubricating oil containing a new polymeric dispersant was introduced to the market. This oil has been designed to match the lubrication requirements imposed by modern high horsepower automobiles over the broad range of operating conditions from low-power suburban driving to high-power turnpike cruising.

The demands on the performance of lubricants continually become more severe, particularly the temperature under which they must operate. This is especially true in aircraft design, where maximum power must be achieved while minimizing the weight of the power plant. During the year, we introduced a new high-temperature grease which has met the most advanced performance demands of the aircraft industry and reinforced our position as a leader in the advancement of lubrication technology.



*Including Partially-owned

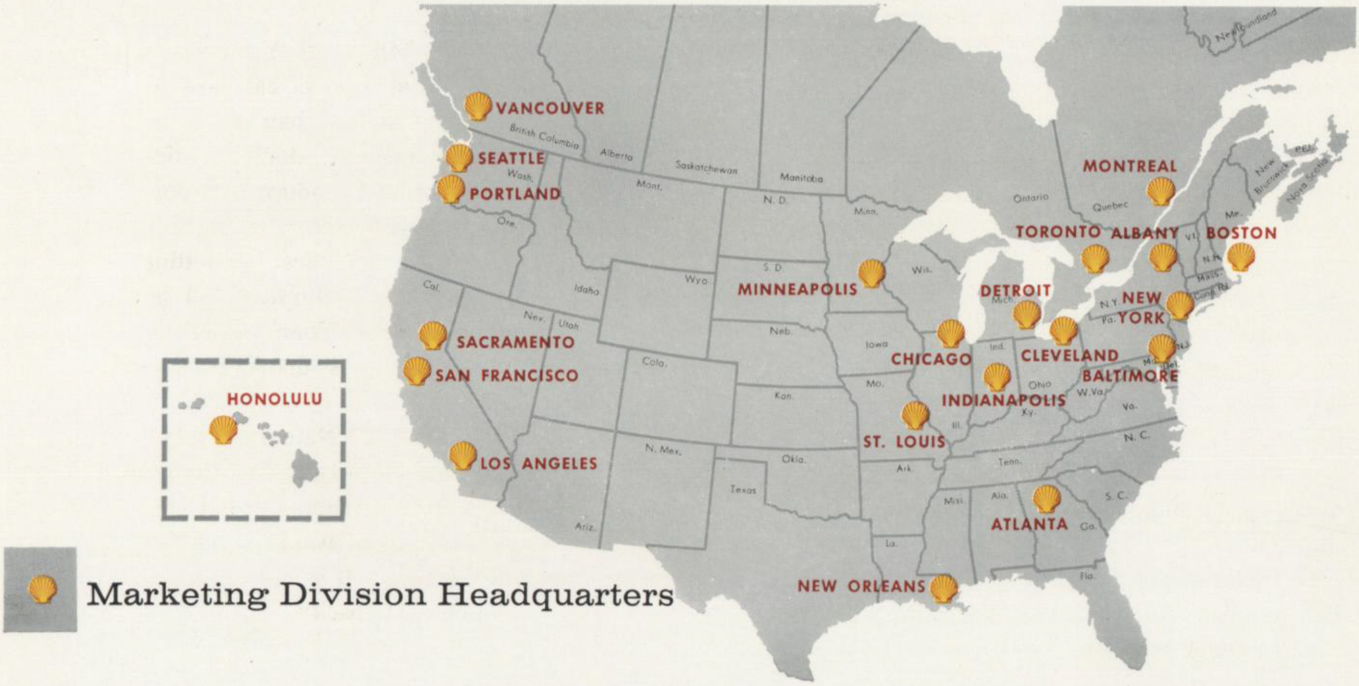
MARKETING

Intense competition characterized all phases of our marketing activities during the year 1957. This condition was made still more acute as the trend to a lower rate of increase in demand became more evident. However, our total sales volume for the year exceeded the previous year's level with an accompanying improvement in revenue.

The gasoline market was especially competitive. In continuation of the program to provide our new gasoline as widely as possible, Super Shell with TCP in a white pump was introduced in the Mid-Continent area in May, thus making this product available throughout our East of Rockies marketing territory. At the same time, the qualities of Shell Premium on the West Coast and of our regular grade Shell gasoline generally were improved. A new and improved Shell X-100 Premium Motor Oil was put on the market in the late spring. An intensive advertising program stressed the benefits to be derived from the use of these products, and customer acceptance continues to be good.

Fuel oil sales in 1957 were down slightly compared to 1956, despite the fact that the severity of the winter season was just about the same in both years. Strong competition was experienced from natural gas as evidenced by the fact that the number of gas-fired heating units installed during the year substantially exceeded the number of new oil-burning units.

In regard to asphalt sales, concentration of effort at the start of the Federal Highway Program has been on purchase of rights-of-way, grading and structure work, with very little paving having been completed. This caused a slowdown of work on primary and secondary roads which are normally the mainstays of the road asphalt industry. However, our asphalt sales increased 5%, as contrasted with an industry decline of about 3%, due in part to the availability of new asphalt terminalling facilities.



Marketing Division Headquarters

The demand for aviation fuels has continued to increase, and as the leading supplier of commercial aviation fuels domestically, we achieved another record year in sales volume. To keep pace with the rising sales of aviation gasoline and jet fuels, our aviation truck refueler fleet was enlarged substantially.

During the year, approximately 500 new service stations were acquired in our continuing effort to replace low volume, sub-standard stations with modern units, as well as to replace locations lost as a result of urban redevelopment and roadway changes under the Federal Highway Program.

After more than a year of experimental work, a new basic service station design was introduced which has been well received. Advantages of the new design are uniformity of appearance in the individual adaptations combined with flexibility to fit site and gallonage conditions.

TRANSPORTATION

THE YEAR 1957 saw continued improvements in the Company's transportation system.

To meet increased demand, a second product pipe line to serve the Los Angeles market was constructed from the Wilmington Refinery to our Los Angeles depot. At the Torrance Rubber Plant and the Dominguez Chemical Plant in the Los Angeles area, two pipe lines are being constructed for the receipt of propane-propylene and benzene from nearby refineries, and another line is being built to facilitate marine deliveries of styrene.

The first integrated barge tow for handling petrochemicals entered our service during 1957 operating between Houston and Chicago. This new equipment, which has a capacity of 60,000 barrels, reduced the round trip time from 55 to 22 days. Three special asphalt barges for transporting product from Wood River to Chicago also were put into service.

The Company's tank car fleet was augmented by leasing additional equipment including 35 special, high purity aluminum cars to be used for shipment of hydrogen peroxide manufactured at Shell Chemical's new facilities at Norco, La.

Completions of new product storage amounted to a total of 1,500,000 barrels, about half being used to accumulate heating oils for the winter season, and the balance to achieve savings in freight or to serve new markets. Another 247,000 barrels of terminal tankage was leased for various purposes.

Operations were begun at the new Columbus, Ga. products terminal on the Plantation Pipe Line, in which system we own approximately 24% equity interest.

At Richmond, Va. and Milton, N. Y., facilities have been expanded so that product can now be received by ocean tanker rather than by barge as in the past. At other locations, dock facilities have been improved in order to reduce transportation costs and increase efficiency.

Tankage and handling facilities permitting asphalt receipts by tanker at Baltimore and by barge at Summit, Ill. and Devon, Conn. were completed, the latter two locations under a lease arrangement.

In West Texas near the TXL Natural Gasoline Plant, a 200,000-barrel underground storage "Jug" was completed in April and filled during the summer to conserve the available surplus butane for winter utilization. It is shortly to be enlarged to 400,000-barrel capacity.

SHELL PIPE LINE CORPORATION

Shell Pipe Line Corporation's trunk line throughputs for 1957 increased approximately 5% over 1956. This is attributed principally to the Suez situation during the early months of the year.

A highlight of 1957 operations was the design and construction by Shell Pipe Line of a major portion of the 750-mile Four Corners Pipe Line, which will be completed and put into operation in April 1958. The new system, which consists of 600 miles of trunk line and 150 miles of feeder lines, will supply crude oil from the Four Corners Area of Utah, Arizona, New Mexico, and Colorado to refineries in the Los Angeles area. Initial capacity with three pump stations is 70,000 barrels per day, which can be increased as necessary by adding pump stations. Shell Pipe Line will operate the line as agent for the Four Corners Pipe Line Company.

Another construction project initiated in 1957 was the Delta Pipe Line. To improve services and provide minimum cost transportation, Shell Pipe Line is constructing this pipe line to transport crude oil from the Southwest Pass area of the Mississippi River delta to our Norco Refinery, a distance of about 120 miles. The line, which will have an initial capacity of 90,000 barrels per day, is scheduled for completion in September 1958.

Conversion of certain major trunk line pump stations to remotely controlled operation continued in 1957. Wildhorse Station became the first of five stations to be converted on the Ozark Pipe Line System, operation of which will ultimately be controlled through a microwave network by dispatching personnel in the Tulsa office.

In cooperation with producing companies, Shell Pipe Line is promoting the installation of so-called lease automatic custody transfer facilities. This is a newly developed method for measuring and testing crude oil, permitting unattended transfer of oil from lease tankage of the producer to the transporting pipe line with resulting economies.

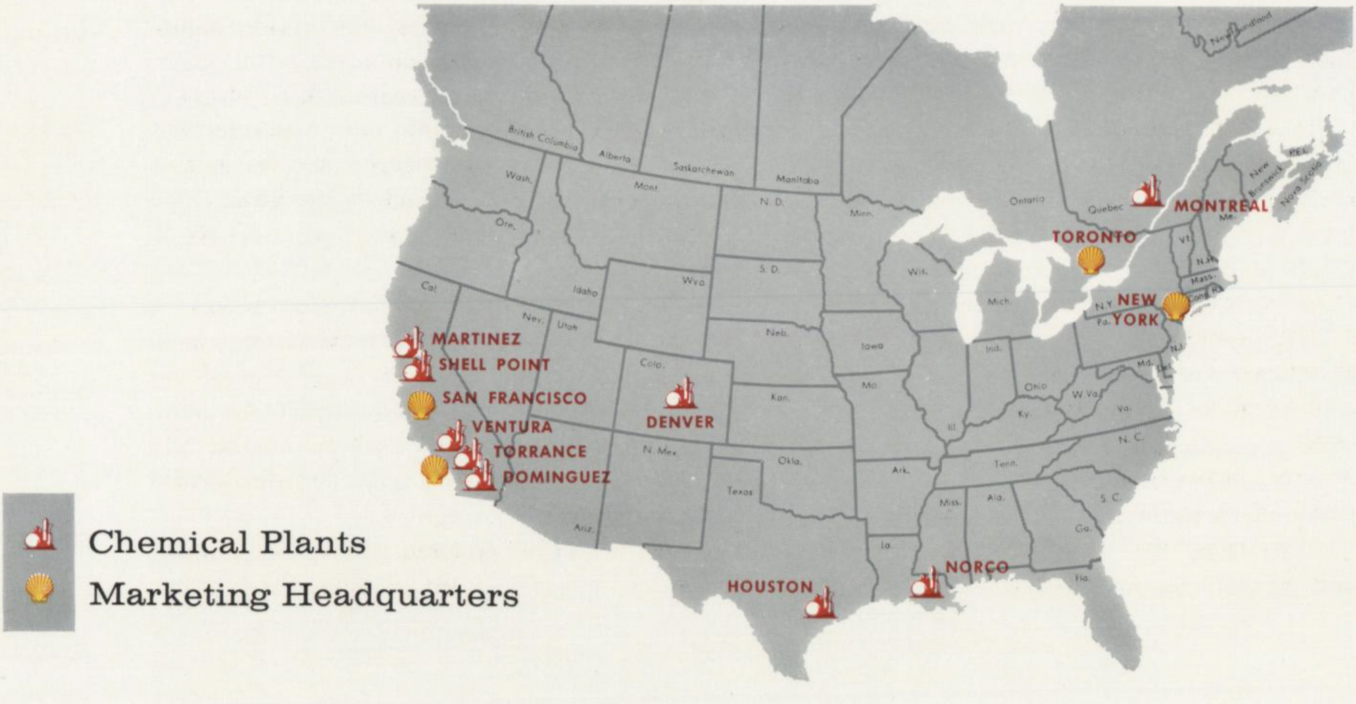
SHELL CHEMICAL CORPORATION

In 1957, sales revenues were slightly below the record levels attained in 1956, largely because of lower demand for industrial and agricultural chemicals. Increased competition across all lines of products, and a general leveling of business activity toward the latter half of the year were major factors affecting the industrial chemicals group. The forward outlook for demand in the case of these products will be largely determined by general industrial activity. Resins and plastics sales continued on a satisfactory growth pattern. Adverse weather conditions, reduced infestations of cotton insects and grasshoppers, lower export demand, and intensive competition were mainly responsible for the lower demand in the agricultural chemicals field.

During the year a broader competitive position was established in agricultural chemicals by the addition of two products, Phosdrin® Insecticide and methyl parathion, in the rapidly growing family of organic phosphorous insecticides. The marketing of our agricultural chemicals continued to be extended into new fields of usage by acceptance of new labels by the U. S. Department of Agriculture.

In the synthetic rubber industry, excess productive capacity became evident as major competitive plant construction was completed. Our broad research and development program, directed towards the modification and improvement of present types of synthetic rubber to fit customer requirements, is being continued. This program achieved a measure of success late in the year when some of the experimental products were accepted for full field trials by a number of West Coast manufacturers of tire retreading materials. Several types of synthetic latex have also been developed which show promise in a number of diversified uses.

While fertilizer sales volume was greater than in 1956, prices were unsatisfactory due to intense competition in what has become a much oversupplied field. Efforts have been made to diversify the operations, and several new nitrogen and phosphate fertilizers were added to the product line and have been marketed in increasing volumes. It is anticipated, however, that several years will elapse before fertilizer demand in our mar-



keting area will equal the present and expected productive capacity, and that the market will remain highly competitive in the interim.

Extensions to the isopropyl and secondary butyl alcohol and derivatives facilities were made at several locations, including a new secondary butyl alcohol unit at the Norco Plant. A major isopropyl alcohol expansion is also under construction at the Dominguez Plant with completion expected about mid-1958.

During the latter half of the year, new hydrogen peroxide manufacturing facilities were placed in operation at Norco, La., utilizing a new organic process discovered and developed by Shell research. Hydrogen peroxide is a versatile industrial chemical used widely in bleaching operations by paper and textile firms. It is also employed as an antiseptic, a food preservative, a high energy propellant for torpedoes and rocket engines, and has wide application as a chemical raw material. Considerable research effort is being directed to extend its use in the last mentioned field.

SHELL DEVELOPMENT COMPANY

In keeping with the rising octane number demands by American automobile engines, research emphasized the development of the very high performance fuels now foreseeable. The now classic processes of catalytic cracking, catalytic reforming, and alkylation are nearing maximum utilization in most refinery installations. Some elaborations of these processes are still being developed, but at the same time we are vigorously invading new areas of science for still further advances in gasoline quality.

Aircraft turbine engines of the future will call for fuels stable under very high temperatures. Research has shown means of achieving the necessary enhanced stability. Similarly, effort has been directed toward raising the safe working limits of lubricants. For bearings operating at extremely high temperatures, where all conventional lubricants fail, a promising new approach was developed that has made it possible to operate certain bearing systems at temperatures as high as 1000°F. All these developments are widely applicable to high temperature engines and machines, including the complex mechanisms in rocket-powered missiles.

In other broad studies of lubricants, more was learned about methods to impart superior performance characteristics to automobile engine oils; higher levels of lubricating ability were achieved in experimental gear oils based on new principles; and basic studies of machine friction enhanced our understanding of lubrication under severe conditions of low speed and high load.

Research on plastics, synthetic rubbers, and semi-rigid polymers received strong emphasis. New applications of epoxy resins were developed, and promising new types of polyester and polyether coatings were in laboratory and process stages of development to expand the offtake of our own produced intermediates, particularly in the large fields now served by alkyd resins. Experimental synthetic rubbers were made with properties superior in certain respects to both natural rubber and conventional synthetic. Semi-rigid polymers, far superior in most properties to well-known forms of polyethylene, were made in the laboratory, and new methods of measuring and controlling the all-important molecular architecture were developed.

With hydrogen peroxide in commercial production by a Shell developed process, effort was maintained to expand its uses as a versatile agent for epoxidation and other chemical reactions, and to provide for the synthesis itself the utmost in efficiency as well as product quality for the most exacting applications.

In the field of oil exploration research, instrumentation development led to improvements in seismic surveying, particularly in water-covered areas. Studies of recent and ancient clastic and carbonate rocks provided information for better prediction of depositional environments and porosity trends. These and other research results of possible use in field operations are being tested in cooperation with the operating staff.

Emphasis of our drilling research program has been placed on developing a better understanding of the mechanics of the drilling process. Broad studies are continuing for investigating the effects of rock properties, the drilling fluid, and the bit and its mode of operation, on the performance of a drilling system.

Theoretical studies of wave forces have continued to contribute to better engineering design of offshore structures. Other offshore engineering studies have been directed toward improving soil exploration techniques and the design criteria for foundations. Results include a new self-recording soil penetrometer, and better understanding of the pull-out resistance of piling.

In our production research program, increasing emphasis has been placed on the development of new or improved methods for increasing the total recovery of oil. Analysis of results obtained through our participation in a cooperative in-situ combustion field-test in California has increased our understanding of the physics of this potentially important process.

The consolidation of the Agricultural Research Division at Modesto, California, was completed in 1957. The new facilities to house the entire laboratory and administrative staff of the Division were occupied in December. There were gratifying results from the extensive Central American field tests of our dieldrin formulations. Excellent control of malaria-carrying mosquitoes has been obtained for as long as a year from a single spraying of the dwellings of entire villages used as test sites. These results are of special significance from the standpoint of World Health programs.

SHELL OIL COMPANY OF CANADA, LIMITED

The Canadian economy, after some years of rapid expansion involving large capital investment, leveled off somewhat in 1957. The demand for petroleum products held up, however, and substantial gains were recorded although not so spectacular as in some of the postwar years. Shell of Canada's sales reached a new peak and service station construction continued to keep pace. In August the Company introduced two new gasolines, Super Shell with TCP in a white pump, and Shell Gasoline, and by year-end these new products were available throughout the entire marketing territory.

Both the Montreal East Refinery and the Shellburn Refinery, Vancouver, processed record volumes of crude oil during 1957. At Montreal, the new asphalt plant went on stream in June, and construction of an alkylation unit is under way with completion expected by May 1958. Rehabilitation following the refinery fire at Montreal in January 1957 proceeded throughout the year.

Demand for acetone and isopropyl alcohol made it necessary to operate the Montreal Chemical Plant at maximum capacity throughout 1957, while sales of sulphur from the Jumping Pound plant showed a material increase over the previous year. Diversification of chemical manufacture at Montreal is continuing with the construction of plants for the manufacture of EPON® resins, detergent alkylate and ancillary products which will shortly be in production.

Expansion of the Jumping Pound Gas Plant to enable delivery of up to 90,000 MCF daily of gas was completed in time to meet the peak demands of the 1957-1958 winter. During the year, facilities were completed for underground storage of treated natural gas available during periods of low demand which permitted operation of the plant at higher average daily throughputs.

The Trans Mountain Oil Pipe Line, in which Shell of Canada has an interest, expanded capacity to 250,000 barrels per day during the year. Actual crude movements reached a peak of 200,000 barrels per day in May and thereafter declined as offshore shipments were reduced following the Suez disturbance. The Portland/Montreal crude oil system and the Trans-Northern products pipe line, in both of which Shell of Canada has an interest, were operated at close to capacity throughout the year.

Due to the increase in tonnage requirements on the west coast, a new 13,000-barrel diesel coastal tanker has been ordered. The vessel is expected to be in service by the end of 1958. A 20-year bareboat charter has also been signed covering a new 40,000-ton tanker which is expected to be delivered during the summer of 1960. This ship is designed to transport crude oil supplies to the east coast.

As mentioned elsewhere, Shell of Canada acquired, effective December 31, 1957, all of Shell Oil Company's Canadian assets together with equivalent Canadian assets of Canadian Shell Limited. With these acquisitions, Shell of Canada became a fully integrated petroleum company engaged in exploration, production, transportation, manufacturing and marketing operations in Canada.

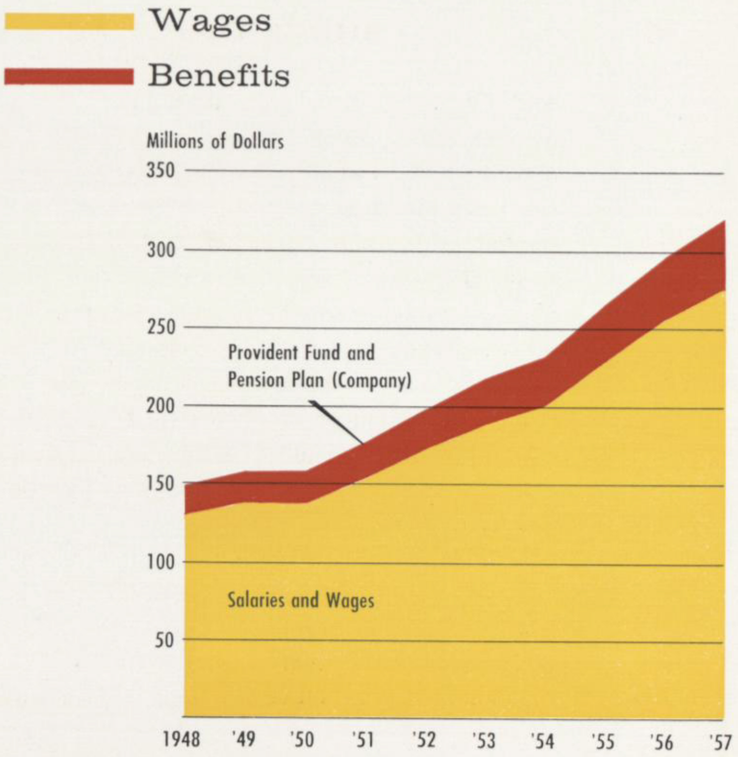
PERSONNEL AND INDUSTRIAL RELATIONS

DURING the fall of 1956, pressures for a general wage and salary increase were developing within the Industry. In February 1957, one of the larger oil companies granted the first in a succession of increases. It was not until May, however, that there emerged a well established industry pattern, at which time we announced general wage and salary increases amounting to 5% effective April 1, 1957, and an additional 1% effective May 1, 1957, on rates in effect as of March 31, 1957. The increases were generally acceptable to all employee groups.

In addition to the general increases, our vacation policy was liberalized to provide an annual four weeks' vacation after the completion of twenty years of accredited service instead of after twenty-five years.

The Survivor Benefit Plan, which is fully underwritten by the Company, has been liberalized to provide life insurance equivalent to twelve months' pay for all employees, regardless of the length of service, rather than on a sliding scale of benefits commencing with one month's pay and going up to a maximum of twelve months' pay as before.

The number of employees at December 31, 1957 was 40,465, an increase of 562 over the



year. General advances in wage and salary levels along with increased employment raised the 1957 payroll to $273,800,000, an increase of 8% over 1956. In 1957, 320 employees retired, bringing the total number retired on pension since the inception of the Shell Pension Plan in 1938 to 4,421. The number of annuitants receiving pensions as of December 31, 1957, was 3,486.

DIRECTORATE AND EXECUTIVE

AT THE END of June, Sir Francis Hopwood resigned as a Director and Chairman of the Board of Shell Oil Company upon his retirement as a Managing Director of the Royal Dutch/Shell Group. Sir Francis had been a Director for thirteen years, six as Chairman, and had served a total of 38 years with various Shell Companies.

Mr. J. H. Loudon, who was first elected a Director of Shell Oil Company in 1948, was elected Chairman to succeed Sir Francis Hopwood; and Mr. F. J. Stephens was elected a Director to fill the vacancy on the Board. Mr. Stephens is a Managing Director of the Royal Dutch/Shell Group, and has served in Venezuela, the United States, and the United Kingdom during the last 32 years.

Mr. A. J. Galloway, who has been Vice President in charge of the Company's exploration and production activities since 1948, was designated an Executive Vice President in October. He will continue to be responsible for this phase of the Company's operations.

In November, Mr. R. W. Bond and Mr. R. E. McAdams were elected Vice Presidents of the Company. Mr. Bond, who has served a total of 32 years in the Company's production activities, has taken charge of the Tulsa exploration and production area. Mr. McAdams, who joined the Company as a geologist in 1936 and has served in various capacities in the exploration activities of the Company, has general responsibility for the handling of exploration and land matters.

Financial Statements and Statistical Information

Statement of Financial Condition

ASSETS

	December 31, 1957	December 31, 1956
CURRENT ASSETS:		
Cash	$ 55,887,957	$ 68,548,854
U. S. Government and other short term securities, at cost, less amounts deducted from federal tax liability	62,160,346	52,141,810
Receivables, less allowance for doubtful accounts: 1957–$3,602,000, 1956–$3,559,000	168,333,151	162,250,842
Owing by affiliated companies	3,870,367	8,372,152
Inventories (Note 2):		
Crude oil, refined and manufactured products	192,804,740	162,320,144
Materials and supplies	51,599,779	48,392,484
TOTAL CURRENT ASSETS	534,656,340	502,026,286
INVESTMENTS AND ADVANCES, on basis of cost (Note 3):		
Shell Oil Company of Canada, Limited	51,642,025	33,101,993
Other affiliated companies	1,080,000	1,455,045
Other investments	5,488,712	4,411,114
TOTAL INVESTMENTS	58,210,737	38,968,152
PROPERTIES, PLANT AND EQUIPMENT, at cost (Note 4)	2,377,477,151	2,230,651,591
Less accumulated depreciation, depletion and amortization	1,608,081,568	1,479,744,901
NET PROPERTIES, PLANT AND EQUIPMENT	769,395,583	750,906,690
OTHER ASSETS AND PREPAID EXPENSES:		
Other notes and accounts receivable and sundry deposits	5,571,373	5,733,886
Prepaid insurance, taxes, rentals and other expenses	16,710,133	17,600,013
TOTAL OTHER ASSETS AND PREPAID EXPENSES	22,281,506	23,333,899
TOTALS	$1,384,544,166	$1,315,235,027

SHELL OIL COMPANY AND SUBSIDIARY COMPANIES

LIABILITIES

	December 31, 1957	December 31, 1956
CURRENT LIABILITIES:		
Accounts payable	$ 151,636,518	$ 148,990,685
Owing to affiliated companies	735,745	785,548
Long term debt due within one year (Note 5)	26,809,000	6,324,000
Wages, interest and miscellaneous accruals	18,303,622	18,782,597
Estimated federal taxes on income, less U. S. securities deducted therefrom: 1957–$22,900,000, 1956–$52,800,000	32,888,573	29,668,848
Other taxes	10,518,135	10,221,789
TOTAL CURRENT LIABILITIES	240,891,593	214,773,467
LONG TERM DEBT (Note 5):		
2½% Debentures due 1971	99,587,000	104,158,000
Serial notes due 1959 to 1967	66,500,000	93,250,000
TOTAL LONG TERM DEBT	166,087,000	197,408,000
SHAREHOLDERS' INVESTMENT		
CAPITAL (Note 6):		
Common stock, par value $7.50 per share, authorized 40,000,000 shares, issued 30,286,384	227,147,880	227,147,880
Amount in excess of par value	243,702,404	243,702,404
TOTAL CAPITAL	470,850,284	470,850,284
EARNINGS EMPLOYED IN THE BUSINESS:		
Balance at beginning of year	432,203,276	576,662,915
Net income for year	135,084,781	135,847,693
Credit relating to pension plan contribution	—	8,790,000
	567,288,057	721,300,608
Dividends: Cash — $2.00 a share	60,572,768	56,442,806
Stock — 10%	—	232,654,526
	60,572,768	289,097,332
Balance at end of year	506,715,289	432,203,276
TOTALS	$1,384,544,166	$1,315,235,027

See notes to financial statements, pages 23 and 24.

SHELL OIL COMPANY AND SUBSIDIARY COMPANIES

Statement of Income

	Year 1957	Year 1956
REVENUE:		
Sales and other operating revenue	$1,764,602,324	$1,635,434,995
Dividends, interest and other income	8,756,327	8,982,247
	1,773,358,651	1,644,417,242
COSTS AND EXPENSES:		
Operating, selling and general	1,315,344,202	1,180,445,308
Depreciation, amortization and retirements (excluding oil lands and leases)	108,603,489	104,241,594
Amortization (100%) of intangible development costs	95,701,906	85,898,863
Depletion, amortization and surrender of oil lands and leases	23,497,906	18,031,987
Interest on long term debt	5,464,828	5,579,982
Estimated federal taxes on income	33,000,000	62,000,000
Other taxes (exclusive of taxes amounting to $282,466,000 in 1957 and $256,192,000 in 1956 collected from customers on behalf of government agencies)	56,661,539	52,371,815
	1,638,273,870	1,508,569,549
NET INCOME FOR YEAR	$ 135,084,781	$ 135,847,693

Notes to Financial Statements

FOR THE YEAR 1957

1. GENERAL: The consolidated financial statements at December 31, 1957, include the accounts of all wholly owned subsidiary companies.

Intercompany sales and profits of the companies consolidated have been eliminated in the consolidated accounts to the extent considered practicable.

2. INVENTORIES: As in prior years, the policy has been followed during the year ended December 31, 1957, of charging monthly to cost of goods sold the highest of inventory carrying value, current cost of production, or purchases. The inventories of crude oil, refined and manufactured products are carried at resulting average cost or market, whichever is lower. Inventories of materials and supplies are carried at average cost or less.

3. INVESTMENTS AND ADVANCES: During 1957 the Company increased its investment in and advances to Shell Oil Company of Canada, Ltd. (a 50% owned affiliate) by $18,540,032, including transfer of $11,986,470 representing the net book value (cost $30,183,764 less related depreciation, depletion and amortization of $18,197,294) of its 50% interest in Canadian oil and gas lands, leases and development. Similar action was taken by the other 50% owner.

4. PROPERTIES, PLANT AND EQUIPMENT: A summary of gross book value of properties, plant and equipment; related depreciation, depletion and amortization; and net book value; stated in thousands of dollars, follows:

	December 31,1957				Dec. 31, 1956
	Gross Book Value	Depreciation, Etc.		Net Book Value	Net Book Value
		Total	%		
Oil lands and leases	$ 247,694	$ 124,091	50	$123,603	$129,926
Tangible development	367,332	195,718	53	171,614	145,386
Intangible development	599,950	599,950	100	—	—
Total properties for oil production	1,214,976	919,759	76	295,217	275,312
Oil refineries and chemical plants	734,001	475,371	65	258,630	264,509
Pipe lines and other transportation facilities	171,882	93,794	55	78,088	83,798
Marketing and miscellaneous	216,125	119,158	55	96,967	87,642
	2,336,984	1,608,082	69	728,902	711,261
Land	40,493	—	—	40,493	39,646
TOTALS	$2,377,477	$1,608,082	68	$769,395	$750,907

5. LONG TERM DEBT: At December 31, 1957, long term debt consists of the following:

	Due Within One Year	Due After One Year
Shell Oil Company		
Twenty-five year 2½% debentures due 1971, after deducting $4,941,000 of debentures held in treasury. Annual sinking fund payments of $5,000,000 are due in each of the years 1958 to 1970, inclusive. (The debentures held in treasury are available for sale to the sinking fund agent.)	$ 59,000	$ 99,587,000
3% note payable to bank—payable $25,000,000 in each of the years 1958 to 1960, inclusive	25,000,000	50,000,000
Shell Pipe Line Corporation		
3.50% notes payable to banks—payable $750,000 in each of the years 1958 to 1965, inclusive, and $2,250,000 in 1966	750,000	7,500,000
3.30% notes payable to banks and others—payable $1,000,000 in each of the years 1958 to 1967, inclusive	1,000,000	9,000,000
	$26,809,000	$166,087,000

6. INCENTIVE STOCK OPTION PLAN: Under the provisions of the Plan, adopted in 1956, options may be granted to executives and key employees to purchase an aggregate of 302,500 shares of the Company's common stock at not less than 95% of the fair market value at the date the option is granted. Generally, options may not be exercised within eighteen months of issuance and expire not later than ten years from date of grant.

Options were granted during 1956 and 1957 to purchase 239,250 shares at $81.14 per share and 3,000 shares at $77.50 per share, respectively. At December 31, 1957, none of the options was exercisable and 60,250 shares were available for future options.

7. COMMITMENTS AND CONTINGENT LIABILITIES: At December 31, 1957, Shell Oil and subsidiary companies had long term leases expiring more than three years after that date covering service stations, office space, tankers and other facilities. For the year 1958 the minimum rentals payable (without reduction for related rental income) under such leases are estimated at $25,200,000.

Shell Oil Company might be required under certain conditions to make payments under guaranty and other contractual arrangements entered into in connection with pipeline transportation of crude oil and refined products. The contingent liability under such arrangements will not exceed $1,000,000 for 1958 and a total of $36,900,000 for years subsequent thereto.

None of the companies had any commitments or contingent liabilities which, in the judgment of the Management, would result in the sustaining of losses which would materially affect their financial positions.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of Shell Oil Company:

In our opinion, the accompanying statement of financial condition and related statement of income, together with the notes appended thereto, present fairly the financial position of Shell Oil Company and consolidated subsidiary companies at December 31, 1957, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of such financial statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.

New York
March 14, 1958

SHELL OIL COMPANY AND SUBSIDIARY COMPANIES

Source and Disposition of Funds

(Expressed in thousands of dollars)

	TOTAL 1953-1957	1957	1956	1955	1954	1953
SOURCE OF FUNDS						
Net income	$ 632,999	$135,085	$135,848	$125,532	$121,127	$115,407
Depreciation, depletion, amortization, etc. charged against income	934,069	227,803	208,172	189,029	155,228	153,837
Net change in long term debt	16,780	[31,321]	[4,049]	64,339	[6,087]	[6,102]
Other items (net)	14,563	1,153	7,116	188	5,082	1,024
TOTAL	$1,598,411	$332,720	$347,087	$379,088	$275,350	$264,166
DISPOSITION OF FUNDS						
Capital expenditures:						
Drilling and production	$ 773,310	$181,835	$158,601	$153,699	$145,736	$133,439
Oil refineries	234,812	38,033	22,523	51,963	55,312	66,981
Chemical plants	110,659	16,540	27,917	40,518	11,007	14,677
Pipe lines and other transportation facilities	34,659	3,567	4,887	6,726	10,262	9,217
Marketing and miscellaneous facilities	92,840	25,660	20,718	18,441	14,623	13,398
	1,246,280	265,635	234,646	271,347	236,940	237,712
Dividends paid	264,221	60,573	56,443	55,066	51,525	40,614
Working capital increase or [decrease]	87,910	6,512	55,998	52,675	[13,115]	[14,160]
TOTAL	$1,598,411	$332,720	$347,087	$379,088	$275,350	$264,166
CASH AND SHORT TERM SECURITIES AT END OF YEAR						
Available for general purposes		$118,048	$120,691	$ 96,014	$ 56,714	$ 88,613
Set aside for federal income taxes		22,900	52,800	63,500	60,000	64,000
TOTAL		$140,948	$173,491	$159,514	$116,714	$152,613

Ten Year Review of Statistical Data

	1957	1956	1955
FINANCIAL AND GENERAL (Dollar figures in thousands)			
Sales and other operating revenue:			
Refined products and other operating revenue	$1,242,703	$1,173,446	$1,102,87
Chemical products	201,918	213,630	193,86
Crude oil	319,981	248,359	194,40
Total	$1,764,602	$1,635,435	$1,491,14
Net income	$ 135,085	$ 135,848	$ 125,53
Net income per share outstanding December 31, 1957	$ 4.46	$ 4.49	$ 4.1
Cash dividends—total dollars	$ 60,573	$ 56,443	$ 55,06
Per share outstanding December 31, 1957	$ 2.00	$ 1.86	$ 1.8
Per share as reported each year (1)	$ 2.00	$ 2.00	$ 2.0
Cash income (net income plus write-offs)	$ 362,888	$ 344,020	$ 314,56
Direct taxes—federal, state and local	$ 89,662	$ 114,372	$ 116,71
Taxes collected from customers on behalf of government agencies	$ 282,466	$ 256,192	$ 225,90
Capital expenditures	$ 265,635	$ 234,646	$ 271,34
Shareholders	19,685	19,727	19,02
Shares outstanding (thousands)	30,286	30,286	27,53
Employees	40,465	39,903	38,84
Salaries and wages	$ 273,800	$ 253,966	$ 228,66
Provident fund and pension plan (company cost)	$ 43,567	$ 39,691	$ 36,56
EXPLORATION AND PRODUCTION (Barrels in thousands)			
Gross crude oil produced (daily average barrels)	367	349	319
Net crude oil produced (daily average barrels)	318	304	278
Net crude oil produced (barrels)	115,910	111,317	101,581
Crude oil purchased (barrels)	178,348	162,624	144,415
Crude oil sold (barrels)	104,357	88,428	68,883
Natural gas produced (cubic feet in millions)	375,614	375,940	348,431
Wells drilled (gross):			
Oil	868	789	628
Gas	93	75	55
Dry holes	313	268	216
Total	1,274	1,132	899
MANUFACTURING (Barrels in thousands)			
Crude oil distilling capacity (daily average barrels)	584	579	561
Crude oil intake to distilling units (daily average barrels)	506	498	463
Crude oil intake to distilling units (barrels)	184,555	182,184	168,896
Products manufactured from natural gas (barrels)	12,313	12,871	12,465
MARKETING			
Refined products sold (barrels in thousands)	201,470	200,524	198,216
Chemical products sold (short tons in thousands)	1,043	1,001	943
Natural gas sold (cubic feet in millions)	319,198	311,577	294,046
Marketing facilities at end of year:			
Bulk distributing plants (leased or owned)	786	790	821
Retail outlets	23,200	23,000	23,100
TRANSPORTATION			
Trunk pipe line mileage-crude oil (incl. partially-owned)	5,304	5,579	5,331
Trunk pipe line mileage-products (incl. partially-owned)	4,670	4,670	4,343
Crude oil gathering pipe line mileage	2,040	2,246	2,083
Crude oil transported (barrels in thousands)	216,204	209,180	178,052
Products transported (barrels in thousands)	85,185	83,141	81,380

(1) Adjusted for two-for-one stock split in April 1954, but not adjusted for stock dividends of 10% in 1956 and 2% in 1953.

SHELL OIL COMPANY AND SUBSIDIARY COMPANIES

1954	1953	1952	1951	1950	1949	1948
,000,316	$ 964,952	$ 872,107	$ 828,836	$720,130	$650,384	$647,199
138,809	125,811	97,763	97,522	70,474	48,081	37,723
172,935	178,788	172,762	146,076	124,725	119,471	146,299
,312,060	$1,269,551	$1,142,632	$1,072,434	$915,329	$817,936	$831,221
121,127	$ 115,407	$ 90,873	$ 97,020	$ 94,186	$ 80,400	$113,793
4.00	$ 3.81	$ 3.00	$ 3.20	$ 3.11	$ 2.65	$ 3.76
51,525	$ 40,614	$ 40,412	$ 40,412	$ 40,412	$ 40,412	$ 40,412
1.70	$ 1.34	$ 1.33	$ 1.33	$ 1.33	$ 1.33	$ 1.33
1.87½	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
276,354	$ 269,243	$ 229,435	$ 205,188	$180,583	$161,257	$176,547
100,995	$ 102,112	$ 89,730	$ 140,885	$ 82,849	$ 54,197	$ 64,882
210,028	$ 203,490	$ 176,568	$ 150,230	$134,047	$116,589	$111,950
236,940	$ 237,712	$ 206,141	$ 145,714	$ 90,422	$114,448	$138,198
18,669	17,647	17,563	17,743	17,541	17,782	17,460
27,480	13,740	13,471	13,471	13,471	13,471	13,471
35,275	34,660	33,583	31,319	30,305	30,332	31,605
199,022	$ 187,447	$ 170,141	$ 151,637	$135,997	$136,834	$129,855
32,586	$ 30,258	$ 26,375	$ 23,539	$ 20,369	$ 19,698	$ 18,036
306	326	299	270	225	220	246
268	286	263	236	198	192	215
97,694	104,268	96,099	86,221	72,216	70,095	78,550
126,464	117,173	113,331	116,475	105,905	102,003	99,584
60,761	64,731	66,086	56,226	47,942	45,918	55,481
340,040	316,362	266,515	229,391	156,116	142,981	128,119
703	755	672	447	310	296	365
68	79	36	34	31	43	22
225	168	138	92	52	57	60
996	1,002	846	573	393	396	447
504	479	429	397	382	367	356
431	412	382	389	343	327	318
157,262	150,371	139,632	142,083	125,215	119,356	116,258
11,407	10,717	10,545	10,308	7,724	6,890	6,064
178,763	174,349	169,011	160,210	146,872	131,242	124,635
732	688	617	618	580	410	290
285,928	222,822	176,613	146,160	121,678	90,431	73,693
803	807	826	838	888	911	971
22,700	22,700	22,500	22,300	22,500	22,400	21,100
4,828	4,788	4,644	4,686	4,645	4,912	4,236
4,023	3,986	3,587	3,609	2,965	2,709	2,719
1,978	1,932	1,821	1,775	1,620	1,683	1,618
172,642	178,872	174,622	173,095	152,074	137,849	138,235
71,994	64,064	54,962	53,955	48,785	50,060	44,251

SHELL OIL COMPANY

Executive Offices

SHELL OIL COMPANY	New York, N. Y.
SHELL CHEMICAL CORPORATION	New York, N. Y.
SHELL DEVELOPMENT COMPANY	New York, N. Y.
SHELL PIPE LINE CORPORATION	Houston, Texas
SHELL OIL COMPANY OF CANADA, LIMITED	Toronto, Canada

Headquarters Offices

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ATLANTA, GA.
BALTIMORE, MD.
BOSTON, MASS.
CHICAGO, ILL.
CLEVELAND, O.
DETROIT, MICH.
HONOLULU, HAWAII
INDIANAPOLIS, IND.
LOS ANGELES, CALIF.
MINNEAPOLIS, MINN.
MONTREAL, CANADA
NEW ORLEANS, LA.
NEW YORK, N. Y.
PORTLAND, ORE.
SACRAMENTO, CALIF.
ST. LOUIS, MO.
SAN FRANCISCO, CALIF.
SEATTLE, WASH.
TORONTO, CANADA
TORRANCE, CALIF.
VANCOUVER, CANADA

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HOUSTON, TEXAS
LOS ANGELES, CALIF.
MIDLAND, TEXAS
NEW ORLEANS, LA.
TULSA, OKLA.

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ANACORTES, WASH.
DENVER, COLO.
DOMINGUEZ, CALIF.
HOUSTON, TEXAS
MARTINEZ, CALIF.
MONTREAL, CANADA
NORCO, LA.
SHELL POINT, CALIF.
TORRANCE, CALIF.
VANCOUVER, CANADA
VENTURA, CALIF.
WILMINGTON, CALIF.
WOOD RIVER, ILL.

Research Laboratories

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HOUSTON, TEXAS
MARTINEZ, CALIF.
MODESTO, CALIF.
TORRANCE, CALIF.
WOOD RIVER, ILL.